Exchangeable bonds allowed to ease stock oversupply

The China Securities Regulatory Commission (CSRC) will allow shareholders of listed companies to issue exchangeable bonds, a move to ease oversupply in the stock market that has helped to drive down share prices.

The CSRC published a draft regulation on the newly-introduced financing tool on its website on Friday night, soliciting public comment by September 12.

Shareholders can issue bonds with an embedded option to exchange the bond for the stock of a company other than the issuer at least a year after the issuance, according to the regulation.

Such bonds could provide shareholders with a new funding channel other than simply dumping their holdings. This would ease the impact of heavy selling, said an unidentified CSRC official in a statement on the website.

Heavy selling has been cited as a factor that has aggravated liquidity strains in the country's flagging stock market.

The Shanghai index is down more than 58 percent this year and more than 63 percent from its peak in October. It fell 3.29 percent to 2,202.45 on Friday.

(Xinhua News Agency September 6, 2008)

Tools: Save | Print | E-mail | Most Read

Comment

Pet Name | Anonymous

Submit | View All Comments

Photo News

Lhasa dressed up for National Day

Tiananmen rostrum ready for celebrations

Iran successfully test-fires multiple-range missiles

New expat community center opens

Chemical factory causes citizen reaction

Real Madrid routs Tenerife 3-0

Michelle Ye's close-up photoshoots

Trekking in China's desert

China Archives | Year | Keyword

Related >>

- China to float US$6.7 bln in treasury bonds
- China to float more than 27b yuan in one-year T-bonds
- China announces e-savings bond issue of up to 30b yuan
- Domestic foreign currency bond market encouraged
- China Vanke to issue RMB5.9 bln 5-year bonds

Most Viewed >>

- SAFE takes US$6.7b stake in British firms
- Changchun once more the focus of NE Asia
- China to step up trade with Pacific island countries
- Banks urged to lend for economic growth
- Exchangeable bonds allowed to ease stock oversupply

Currency Converter

From	CNY China Yuan Renminbi
To	USD United States Dollars
Amount	1

Conferences | Trade Fairs

Jun. 17-18 Maryland China-US 4th Strategic Economic Dialogue

Jul. 30-31 Beihai 2008 Pan-Beibu Bay Economic Cooperation Forum

Oct.23-25 Qingdao Seminars on circular economy

- Output of Major Industrial Products
- Investment by Various Sectors
- Foreign Direct Investment by Country or Region
- National Price Index
- Value of Major Commodity Import
- Money Supply
- Exchange Rate and Foreign Exchange Reserve

FAQs

- What does the China-Pakistan Free Trade Agreement cover?
- How to Set up a Foreign Capital Enterprise in China?
- How Does the VAT Works in China?

- How Much RMB or Foreign Currency Can Be Physically Carried Out of or Into China?
- What Is the Electrical Fitting in China?

Click here to see more questions Write to us